

## SENATE BILL No. 485

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8-7.4; IC 27-8-24.1; IC 27-13-7-18.

**Synopsis:** Health coverage for medical food. Requires a state employee health plan, a group accident and sickness insurance policy, and a group health maintenance organization contract to provide coverage for medical food for certain conditions.

**Effective:** July 1, 2005.

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**Wyss, Simpson, Lawson C**

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January 18, 2005, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## SENATE BILL No. 485

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 5-10-8-7.4 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2005]: **Sec. 7.4. (a) As used in this section, "covered individual"**  
4 **means an individual who is covered or entitled to services under a**  
5 **health benefit plan.**

6       **(b) As used in this section, "designated condition" means:**

7       **(1) a physical, physiological, or pathological medical**  
8       **condition, including disease, convalescence, and food allergy,**  
9       **that results in inadequate nutrition unless treated by use or**  
10       **restriction of specific dietary components; or**

11       **(2) an inherited metabolic disease.**

12       **(c) As used in this section, "health benefit plan" means a:**

13       **(1) self-insurance program established under section 7(b) of**  
14       **this chapter to provide group health coverage; or**

15       **(2) contract with a prepaid health care delivery plan that is**  
16       **entered into or renewed under section 7(c) of this chapter.**

17       **(d) As used in this section, "inherited metabolic disease" means**

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a:

(1) **disease:**

(A) **caused by inborn errors of amino acid, organic acid, or urea cycle metabolism; and**

(B) **treatable by the dietary restriction of one (1) or more amino acids; or**

(2) **disorder of:**

(A) **carbohydrate;**

(B) **lipid;**

(C) **vitamin;**

(D) **mineral; or**

(E) **other;**

**metabolism and treatable by the use or restriction of specific dietary components.**

(e) **As used in this section, "medical food" means a formula that is:**

(1) **intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation; and**

(2) **formulated to be consumed or administered enterally under the direction of a physician.**

(f) **A health benefit plan must provide coverage for medical food that is:**

(1) **medically necessary; and**

(2) **prescribed by a covered individual's treating physician for treatment of the covered individual's designated condition.**

(g) **The coverage that must be provided under this chapter must not be subject to dollar limits, coinsurance, or deductibles that are less favorable to a covered individual than the dollar limits, coinsurance, or deductibles that apply to coverage for:**

(1) **prescription drugs generally under the health benefit plan, if prescription drugs are covered under the health benefit plan; or**

(2) **physical illness generally under the health benefit plan, if prescription drugs are not covered under the health benefit plan.**

SECTION 2. IC 27-8-24.1-2.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.2. As used in this chapter, "designated condition" means:**

(1) **a physical, physiological, or pathological medical condition, including disease, convalescence, and food allergy,**

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1 **that results in inadequate nutrition unless treated by use or**  
 2 **restriction of specific dietary components; or**  
 3 **(2) an inherited metabolic disease.**

4 SECTION 3. IC 27-8-24.1-3 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. As used in this  
 6 chapter, "inherited metabolic disease" means a:

7 (1) disease:

8 ~~(1)~~ (A) caused by inborn errors of amino acid, organic acid, or  
 9 urea cycle metabolism; and

10 ~~(2)~~ (B) treatable by the dietary restriction of one (1) or more  
 11 amino acids; **or**

12 (2) disorder of:

13 (A) carbohydrate;

14 (B) lipid;

15 (C) vitamin;

16 (D) mineral; **or**

17 (E) other;

18 **metabolism and treatable by the use or restriction of specific**  
 19 **dietary components.**

20 SECTION 4. IC 27-8-24.1-5 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. An accident and  
 22 sickness insurance policy must provide coverage for medical food that  
 23 is:

24 (1) medically necessary; and

25 (2) prescribed by a covered individual's treating physician for  
 26 treatment of the covered individual's ~~inherited metabolic disease~~  
 27 **designated condition.**

28 SECTION 5. IC 27-13-7-18 IS AMENDED TO READ AS  
 29 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. (a) **As used in this**  
 30 **section, "designated condition" means:**

31 (1) **a physical, physiological, or pathological medical**  
 32 **condition, including disease, convalescence, and food allergy,**  
 33 **that results in inadequate nutrition unless treated by use or**  
 34 **restriction of specific dietary components; or**

35 (2) **an inherited metabolic disease.**

36 ~~(a)~~ (b) As used in this section, "inherited metabolic disease" means  
 37 a:

38 (1) disease:

39 ~~(1)~~ (A) caused by inborn errors of amino acid, organic acid, or  
 40 urea cycle metabolism; and

41 ~~(2)~~ (B) treatable by the dietary restriction of one (1) or more  
 42 amino acids; **or**

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(2) disorder of:

(A) carbohydrate;

(B) lipid;

(C) vitamin;

(D) mineral; or

(E) other;

**metabolism and treatable by the use or restriction of specific dietary components.**

~~(b)~~ (c) As used in this section, "medical food" means a formula that is:

(1) intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation; and

(2) formulated to be consumed or administered enterally under the direction of a physician.

~~(c)~~ (d) A group health maintenance organization contract that provides coverage for basic health care services must provide coverage for medical food that is:

(1) medically necessary; and

(2) prescribed for an enrollee by the enrollee's treating physician for treatment of the enrollee's ~~inherited metabolic disease~~ **designated condition.**

~~(d)~~ (e) The coverage that must be provided under this section shall not be subject to dollar limits, copayments, or deductibles that are less favorable to an enrollee than the dollar limits, copayments, or deductibles that apply to coverage for:

(1) prescription drugs generally under the group contract, if prescription drugs are covered under the group contract; or

(2) physical illness generally under the group contract, if prescription drugs are not covered under the group contract.

SECTION 6. [EFFECTIVE JULY 1, 2005] (a) **IC 5-10-8-7.4, as added by this act, applies to a health benefit plan that is established, entered into, amended, or renewed after June 30, 2005.**

(b) **IC 27-8-24.1-5, as amended by this act, applies to an accident and sickness insurance policy that is issued, delivered, amended, or renewed after June 30, 2005.**

(c) **IC 27-13-7-18, as amended by this act, applies to a group health maintenance organization contract that is entered into, delivered, amended, or renewed after June 30, 2005.**

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